

FUTURE GENERATION GLOBAL INVESTMENT COMPANY (FGG) CHAIRMAN'S ADDRESS – ANNUAL GENERAL MEETING

**Delivered by Belinda Hutchinson AM at the Annual General Meeting of shareholders held at:
The Westin at 1 Martin Place, Sydney on Thursday, 23 May 2019.**

Introduction and welcome

Good afternoon all. Welcome to the fourth Annual General Meeting of Future Generation Global Investment Company Limited (FGG or the Company). I am Belinda Hutchinson and as Chairman of your Board of Directors I will be chairing the meeting today.

I would firstly like to acknowledge the Gadigal people of the Eora nation and pay my respects to their Elders past and present who have been the custodians of these lands for tens of thousands of years.

Seated with me are my fellow Directors: Kiera Grant, Sarah Morgan, Geoff R Wilson, Jonathan Nicholas and FGG Founder Geoff Wilson AO, as well as Louise Walsh, CEO of the Company. Director Frank Casarotti has given his apology as he has a longstanding work commitment overseas.

We are joined by our joint Company Secretaries Elizabeth McGregor (from Mertons) and Kate Thorley, who is also the CEO of Wilson Asset Management. Scott Whiddett, representing our auditor Pitcher Partners, is also with us and will be available to address any questions relating to the Company's financial statements.

Chairman's address

Now normally you would expect the Chairman's address for a listed investment company to focus only on financial results and investment performance. However as you know FGG is an investment company with a difference. The Company has a dual objective of providing you with returns from diversified exposure to select high quality global fund managers and changing the lives of children and young Australians affected by mental illness.

So yes, strong financial results are first and foremost in order to attract and retain you as our shareholders but also to support our charities. And I am happy to report that FGG produced strong financial results and investment performance in 2018. I will give you more information on this later however I would like to commence by thanking you, our shareholders, for being part of this unique social impact company.

To our fund managers, our special thanks for your outstanding generosity in managing FGG's capital entirely pro bono. Our fund managers have foregone management and performance fees for the period totalling \$5.1 million. Similarly our service providers, including the Board and Committees, have forgone fees of \$0.7 million. Our shareholders have therefore received a grand total of \$5.8 million in pro bono support and cost savings during 2018. This exceeds the \$3.6 million investment the Company made in youth mental health, which represents 1% of the Company's average net tangible assets. This means shareholders received a significant saving on expenses over what a normal investment company would incur, further strengthening FGG's investment proposition.

FGG was established because we knew that mental health problems were a major social issue negatively impacting one out of four young Australians. We selected eight charities to initially invest in to help these young people through research and services. As our CEO Louise Walsh has told us earlier this afternoon our charities are working hard to provide practical solutions. I hope you read our monthly updates which detail the positive impact our charities are making with the support and investment made by FGG.

One of the most rewarding things about being a Director of FGG comes from the regular meetings with the charities we support. We do so to monitor their progress and it gives us the opportunity to hear remarkable stories from young people who have overcome the adversity of mental health challenges to gain employment and to live a fulfilling life.

We understand it is important to our shareholders that the charities can demonstrate they are producing positive results, so our CEO this year commissioned an independent expert review. We look forward to sharing the results with you once the Board has completed its consideration of the review report.

Now let me turn to FGG's financial results. The operating profit before tax for the year ended 31 December 2018 was \$17.1 million. The improvement on the 2017 full year operating profit of \$3.4 million was due to the increase in distribution income received from the investments with the underlying fund managers during the year.

The investment portfolio increased 6.4% for the year, outperforming the MSCI AC World Index (AUD) by 5.9% during a highly volatile period that saw many fund managers underperform. Since the company's inception, the investment portfolio has increased 7.3% per annum which has been achieved with less volatility as measured by standard deviation, of 8.5% versus the Index's 9.8%.

Global equity market volatility increased significantly during the year. The strong portfolio performance achieved in this volatile period can be attributed to the careful selection of high quality fund managers by the Investment Committee and the investment portfolio's highly diversified nature.

The Board was delighted with the successful capital raising in 2018, with a combined \$127.9 million raised through a Share Purchase Plan (SPP) and Placement. Of the existing FGG shareholders, over 42% invested in the SPP, raising \$30.8 million for the Company. The Placement, at the same fixed price and terms as the SPP, raised \$97.1 million.

FGG's primary investment objective continues to be providing shareholders with long-term capital growth through diversified exposure to high quality fund managers investing in global equities. Our investment philosophy is based on the belief that diversification of the portfolio is important in managing and mitigating risk and, by having a number of different fund managers, FGG has access to a range of investment styles and strategies.

Our investment portfolio provides a spread between long equities and absolute bias strategies, with the balance of the portfolio held in cash and cash equivalents. The capital raised through the Share Purchase Plan (SPP) and Placement contributed to the high cash level as at 31 December 2018. Following the deployment of this cash in new investments in January and early February 2019, the portfolio was 52.2% long equities, 34.6% absolute bias and 13.2% cash.

The portfolio's composition will vary over time in terms of the allocation to the above strategies as well as allocating to various funds. The long equities portion of the portfolio is predominantly exposed to large-cap and mid-cap stocks with a very small allocation to small-cap stocks. As at 31 December 2018, the investment portfolio was comprised of 13 global fund managers with investments in 13 funds and one direct listed investment company

As I mentioned, FGG provides a diverse exposure to global equities and as such its returns are predominantly delivered through capital growth. The Board remains committed to paying fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. In August 2018, the Board announced a fully franked dividend of 1.0 cents per share, which was paid in October 2018.

At this stage, the Board will consider a dividend payment following the June 2019 half year result, dependent on profits released by our fund managers over the six months to 30 June 2019.

Please join me again in thanking our fund managers and service providers for their outstanding and continued generosity throughout the period, which enabled us to make our third annual investment of \$3.6 million to improve youth mental health in Australia in October last year. Of this, \$2.7 million was allocated to the eight FGG designated charities with the remaining \$0.9 million contributed to other charities with Australian deductible gift recipient status as nominated by shareholders with one million or more shares.

We will provide a further update to you on the progress to date made by our designated charities, when shareholders direct their fourth annual charitable donation in August this year. I would also encourage you to visit our website, www.futuregeninvest.com.au, where you can find all relevant information and join over 20,000 subscribers of our investment and charitable newsletters.

I would like to take this opportunity to thank Karen Penrose who retired in October last year for her immensely valuable contribution to the Company. Karen served as a Non-executive Director and Chairman of the Audit and Risk Committee since FGG listed in 2015. We are delighted to welcome Geoff R Wilson as a Director and Chair of the Audit and Risk Committee, who brings a wealth of experience from his senior leadership roles in the professional services firm KPMG in Australia and internationally. We also welcome Jonathan Nicholas as a Director who brings excellent knowledge from the mental health and wellbeing space having been the CEO of ReachOut Australia. We will be asking shareholders to vote on their elections later in this meeting.

In finishing my address there are a number of people to whom I would like to give special thanks, in addition to our fund managers and service providers.

First, my fellow Directors and Committee members who give generously of their time, skills and experience; secondly, our energetic, innovative and tireless CEO Louise Walsh; and thirdly, the team at Wilson Asset Management who all so generously give their time and effort to support FGG on a pro bono basis.

On behalf of us all, I want to thank you, our shareholders, for your belief in and support of our goal to deliver positive returns on your investment and at the same time help young Australians to overcome mental health issues.

About Future Generation Global Investment Company

The objectives of the Company are to provide shareholders with an attractive investment and Australian charities focused on youth mental health with a source of funding. The fund managers do not charge management or performance fees, allowing the Company to invest 1% of assets to the supported charities each year. FGG has partnered with eight designated charities that provide a significant benefit to young Australians in the area of youth mental health. These charities are: Beyond Blue, Black Dog Institute, Brain and Mind Centre, Butterfly Foundation for Eating Disorders, headspace, Orygen – the National Centre of Excellence in Youth Mental Health, ReachOut Australia and SANE Australia. FGG shareholders decide annually on a pro-rata basis the amount invested to each charity.

Future Generation Global Investment Company provides:



Shareholders

with exposure to leading global fund managers without paying management or performance fees.



Charities

primarily focused on youth mental health with a consistent and growing stream of annual donations.



Fund managers

with a unique opportunity to make a positive difference to Australia's future generations.

For more information visit www.futuregeninvest.com.au or contact:

Belinda Hutchinson AM

Chairman

+61 2 9247 9202
info@futuregeninvest.com.au

Geoff Wilson AO

Founder and Director

+61 2 9247 9202
info@futuregeninvest.com.au

Louise Walsh

Chief Executive Officer

+61 419 416 618
louise@futuregeninvest.com.au

James McNamara

Head of Corporate Affairs

+61 416 734 080
james@wilsonassetmanagement.com.au